

Attachment 1
Finance Company Survey (FR 2248) Draft Instruction

INSTRUCTIONS

Public reporting burden for this collection of information is estimated to average 0.3 hours per response (1.4 hours per response in March, June, September, and December), including the time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate, including suggestions for reducing this burden, to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0005), Washington, DC 20503. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Purpose and Scope of Report

The purpose of this report is to provide data for consumer and business credit series. Include the consolidated operations of the U.S. parent *finance company* and all *finance company* affiliates and subsidiaries (whether partially or wholly owned), ~~for which you maintain records~~, that are located in the fifty states of the United States, the District of Columbia, Puerto Rico, or U.S. dependencies and territories and that are engaged in domestic consumer and business financing activities. *Exclude* from the consolidation the operations of all domestic nonfinance company affiliates and subsidiaries and all companies not located in the fifty states of the United States, the District of Columbia, Puerto Rico, or U.S. dependencies and territories.

Definitions

For purposes of this report, a finance company is defined as a company (including Morris Plan companies but excluding banks, credit unions, savings and loan associations, cooperative banks, and savings banks) in which the largest portion of the company's assets is in one or more of the following kinds of receivables:

Sales finance receivables: Installment paper arising from retail sales of passenger cars and mobile homes, other consumer goods, such as general merchandise, apparel, furniture, and household appliances, or from outlays for home improvement loans not secured by real estate.

Personal cash loans to individuals and families: Unsecured cash loans (including loans to pay for insurance policies) or cash loans secured by insurance policies, autos already paid for, and other collateral.

Short- and intermediate-term business receivables (including leases): Loans on commercial accounts receivables, inventory loans, factoring, lease financing, retail installment sales (or purchases) of commercial, industrial, and farm equipment and commercial vehicles, and wholesale financing of consumer and business goods.

~~Junior liens on real estate:~~ Loans, whatever the purpose, secured by junior liens (for example, equity loans or second mortgages) on real estate as evidenced by junior mortgages, deeds of trust, land contracts, or other instruments.

Insert A

Item Instructions

Please answer all questions. Indicate that your company does not engage in a particular line of business by entering a zero for that line item on the reporting form.

ASSETS

Receivables include direct loans and paper purchased from manufacturers and retailers before deduction of reserves for unearned income and reserves for losses.

Include bulk purchases of paper from vendors. In the case of participation loans, *include* only that portion of the original loan owned by you and appearing on your balance sheet.

In the case of companies requiring full repayment to be accumulated against indebtedness before crediting, *exclude* from liabilities the amount of deposits already accumulated. Net these accumulated deposits against appropriate receivables in the Assets section.

1. Consumer receivables

A. Motor vehicle financing: Credit arising from retail sales of passenger cars and other vehicles such as vans and pickup trucks to consumers. *Exclude* fleet sales, personal cash loans secured by automobiles *already paid for*, loans to finance the purchase of commercial vehicles and farm equipment, and lease financing.

B. Revolving credit: Retail credit that is extended on a credit-line basis and that arises from the sale of consumer goods other than passenger cars and mobile homes. A single contract governs multiple use of the account and purchases may be made with a credit card. Generally, credit extensions can be made at the consumer's discretion, provided that they do not cause the outstanding balance of the account to exceed a prearranged credit limit.

C. Other consumer receivables: All credit arising from retail sales of consumer goods other than passenger cars that is not extended under a revolving credit line. Paper arising from retail sales of complete dwelling units built on a chassis and capable at time of initial purchase of being towed over the highway by truck but not by car.

Include goods like general merchandise, apparel, furniture, household appliances; campers, trailers, mobile homes, motorcycles, airplanes, helicopters, and boats purchased for personal use; automobile repair paper; credit to finance alterations or improvements in existing residential properties occupied by the borrower; secured

Insert A

For purposes of this questionnaire, a finance company is defined as a company (excluding credit unions, savings banks, investment banks, commercial banks, cooperative banks, and savings and loan associations) in which the largest portion of the company's assets are in one or more of the following kinds of receivables:

- a. Consumer receivables— receivables arising from retail sales of passenger cars and mobile homes, other consumer goods, such as general merchandise, apparel, furniture and household appliances, and/or from outlays for home improvement loans not secured by real estate. Unsecured personal loans, such as loans for education or to pay for insurance policies; or personal loans secured by collateral, such as insurance policies or autos already paid for, etc.;
- b. Short- and intermediate-term business receivables including leasing – loans on commercial accounts receivable, inventory loans, factoring, leasing, retail installment sales (or purchases) of commercial, industrial and farm equipment and commercial vehicles, and wholesale financing of consumer and business goods;
- c. Liens on real estate – loans, whatever the purpose, secured by liens on real estate as evidenced by mortgages, deeds of trust, land contracts or other instruments.